

Message Text

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ORIGIN TRSE-00

INFO OCT-01 ARA-10 ISO-00 EB-08 SS-15 SSO-00 NSCE-00
INRE-00 AGRE-00 CIAE-00 COME-00 INR-10 LAB-04
NSAE-00 SP-02 STR-07 FRB-03 OMB-01 CTME-00 L-03
ITC-01 H-01 /066 R

DRAFTED BY TREAS:I/IDN:JJOHNSON
APPROVED BY ARA/ECA:STMYLES
TREAS:I/IDN:F.MARESCA
TREAS:I/IDN:R.PELIKAN
- F
EB/ TA:C M

-----117105 252013Z /62
O 251935Z MAY 78
FM SECSTATE WASHDC
TO AMEMBASSY BRASILIA IMMEDIATE
AMCONSUL SAO PAULO IMMEDIATE
AMCONSUL RIO DE JANEIRO IMMEDIATE

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PASS TO FINANCIAL ATTACHE LOHMANN

E.O. 11652: N/A

TAGS:

SUBJECT: TREASURY PRELIMINARY COUNTERVAILING DUTY
DETERMINATION ON BRAZILIAN TEXTILE EXPORTS

1. A COUNTERVAILING DUTY INVESTIGATION OF THE PETITION
FILED NOVEMBER 7, 1977 BY THE TEXTILE WORKERS UNION HAS
RESULTED IN A PRELIMINARY DETERMINATION THAT THE GOB
HAS GIVEN BENEFITS WHICH MAY CONSTITUTE BOUNTIES OR
GRANTS ON THE MANUFACTURE OR EXPORTATION OF CERTAIN
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TEXTILE AND TEXTILE PRODUCTS FROM BRAZIL. BEGINNING
PARAGRAPH 3 ARE KEY SECTIONS OF THE DRAFT TEXT OF
THE NOTICE TO BE PUBLISHED IN THE FEDERAL REGISTER
ANNOUNCING THE PRELIMINARY DETERMINATION. THE
WORDING MAY BE REVISED AND THE TIME OF ISSUE HAS YET
TO BE ESTABLISHED. HOWEVER, THE PROVISIONAL TEXT IS
BEING TRANSMITTED NOW IN ORDER TO FACILITATE ITS FINAL

RELEASE IN BRAZIL. WE WILL CONVEY BY TELEPHONE THE TEXT OF THE PRESS RELEASE ANNOUNCING THE FORTHCOMING PUBLICATIONS OF THE PRELIMINARY DETERMINATION AS SOON AS IT IS READY, AND ANY REVISIONS IN THE DRAFT NOTICE.

2. ACTION REQUESTED: THAT EMBASSY INFORM KEY OFFICIALS IN THE MINISTRIES OF FINANCE, PLANNING, AND INDUSTRY AND TRADE (AND ANY OTHERS AS THE EMBASSY SEES FIT) IMMEDIATELY OF THE IMPENDING PUBLICATION OF THE

PRELIMINARY DETERMINATION, USING THE DRAFT TEXT AS THE BACKGROUND FOR YOUR PRESENTATION.

3. BEGIN DRAFT TEXT: QUOTE. THIS NOTICE IS TO INFORM THE PUBLIC THAT A COUNTERVAILING DUTY INVESTIGATION HAS RESULTED IN A PRELIMINARY DETERMINATION THAT THE GOVERNMENT OF BRAZIL HAS GIVEN BENEFITS WHICH MAY CONSTITUTE BOUNTIES OR GRANTS ON THE MANUFACTURE OR EXPORTATION OF MEN'S AND BOYS' APPAREL AND TEXTILE MILL PRODUCTS OF COTTON, WOOL, AND MAN-MADE FIBER. INTERESTED PERSONS ARE INVITED TO COMMENT ON THIS ACTION.

4. SUPPLEMENTARY INFORMATION: ON JANUARY 30, 1978, A "NOTICE OF RECEIPT OF COUNTERVAILING DUTY PETITION AND INITIATION OF INVESTIGATION" WAS PUBLISHED IN THE LIMITED OFFICIAL USE

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FEDERAL REGISTER (43 F.R. 3964).

5. THE NOTICE STATED THAT A PETITION HAD BEEN RECEIVED ALLEGING THAT PAYMENTS OR BESTOWALS CONFERRED BY THE GOVERNMENT OF BRAZIL UPON THE MANUFACTURE, PRODUCTION OR EXPORTATION OF MEN'S AND BOYS' APPAREL AND TEXTILE MILL PRODUCTS OF COTTON, WOOL, AND MAN-MADE FIBER CONSTITUTE THE PAYMENT OR BESTOWAL OF A BOUNTY OR GRANT, DIRECTLY OR INDIRECTLY, WITHIN THE MEANING OF SECTION 303 OF THE TARIFF ACT OF 1930, AS AMENDED (19 U.S.C. 1303) (HEREINAFTER REFERRED TO AS "THE ACT").

6. FOR PURPOSES OF THIS NOTICE "TEXTILE MILL PRODUCTS" INCLUDE YARNS, FABRICS, HOUSEHOLD TEXTILES, AND MISCELLANEOUS PRODUCTS OF TEXTILE MILLS MADE OF COTTON, WOOL, AND MAN-MADE FIBERS, AS SPECIFIED IN U.S. BILATERAL TEXTILE AGREEMENTS; AND "MEN'S AND BOYS' APPAREL" INCLUDES THOSE ITEMS DESCRIBED IN THE APPENDIX TO THIS NOTICE, TOGETHER WITH THEIR TARIFF SCHEDULE CLASSIFICATIONS.

7. ON THE BASIS OF AN INVESTIGATION CONDUCTED PURSUANT

TO SECTION 159.47(C) OF THE CUSTOMS REGULATIONS (19 CFR 159.47(C)), IT PRELIMINARILY HAS BEEN DETERMINED THAT BENEFITS HAVE BEEN RECEIVED BY THE BRAZILIAN MANUFACTURERS/EXPORTERS OF MEN'S AND BOYS' APPAREL AND TEXTILE MILL PRODUCTS OF COTTON, WOOL, AND MAN-MADE FIBER WHICH MAY CONSTITUTE BOUNTIES OR GRANTS WITHIN THE MEANING OF THE ACT. THESE BENEFITS INCLUDE THE FOLLOWING:

A. CERTIFICATES GRANTED BY THE BRAZILIAN GOVERNMENT IN

THE AMOUNT OF THE INDUSTRIAL PRODUCTS TAX (IPI) THAT ARE IN ADDITION TO THE ORDINARY EXEMPTION ON EXPORT OF THAT INDIRECT TAX.

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B. PREFERENTIAL FINANCING FOR EXPORTS UNDER RESOLUTION 398.

C. TAX RELIEF ON EQUIPMENT AND EARNINGS IN ADDITION TO GRANTS TO CERTAIN NEW INDUSTRIES AND INDUSTRIES LOCATED IN ECONOMICALLY DEPRESSED AREAS UNDER LAW 1137.

D. PARTIAL EXEMPTION FROM PAYMENT OF IPI AND IMPORT DUTIES ON MACHINERY PURCHASES.

E. ASSISTANCE GIVEN TO CERTAIN ENTERPRISES UNDER BEFIEIX.

8. PROGRAMS PRELIMINARILY DETERMINED NOT TO BE BOUNTIES OR GRANTS WITHIN THE MEANING OF THE ACT INCLUDED THE FOLLOWING:

A. EXEMPTION FROM THE INDUSTRIAL PRODUCTS TAX (IPI), A VALUE ADDED TAX, ON EXPORT TRANSACTIONS. THE DEPARTMENT HAS CONSISTENTLY HELD THAT THE NON-EXCESSIVE REBATE OR REMISSION OF INDIRECT TAXES, DIRECTLY RELATED TO AN EXPORTED PRODUCT, DOES NOT CONSTITUTE A BOUNTY OR GRANT WITHIN THE MEANING OF THE LAW. THERE IS NO EVIDENCE BEFORE THE DEPARTMENT THAT THE IPI REMISSION OPERATES TO CONFER BOUNTIES OR GRANTS ON EXPORTS OF THE MERCHANDISE IN QUESTION FROM BRAZIL. CONSISTENT WITH THE GUIDELINES SET OUT BY THE U.S. COURT OF CUSTOMS AND PATENT APPEALS IN ITS DECISION IN THE ZENITH CASE, TREASURY WILL INVESTIGATE WHETHER THE REBATE OR REMISSION OF THE IPI EXCEEDS THE AMOUNT OF THE TAX.

B. EXEMPTION FROM THE PAYMENT OF IMPORT DUTIES AND THE IPI TAX ON IMPORTS THAT ARE INCORPORATED IN FINISHED LIMITED OFFICIAL USE

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PRODUCTS FOR EXPORT.

9. BEFORE A FINAL DETERMINATION IS MADE, CONSIDERATION WILL BE GIVEN TO ANY RELEVANT DATA, VIEWS OR ARGUMENTS SUBMITTED IN WRITING WITH RESPECT TO THIS PRELIMINARY DETERMINATION.

10. SUBMISSIONS SHOULD BE ADDRESSED TO THE COMMISSIONER

OF CUSTOMS, 1301 CONSTITUTION AVENUE, N.W., WASHINGTON, D.C. 20229, IN TIME TO BE RECEIVED BY HIS OFFICE NOT LATER THAN 30 DAYS FROM THE DATE OF PUBLICATION OF THIS NOTICE IN THE FEDERAL REGISTER. END QUOTE. SIGNED THE GENERAL COUNSEL OF THE TREASURY. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
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Concepts: EXPORTS, TEXTILES, COUNTERVAILING DUTIES, INVESTIGATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 25 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Film Number: D780221-0749
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780518/aaaaaoty.tel
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Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
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Subject: TREASURY PRELIMINARY COUNTERVAILING DUTY DETERMINATION ON BRAZILIAN TEXTILE EXPORTS
TAGS: ETRD, BR, US
To: BRASILIA SAO PAULO MULTIPLE
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Review Markings:
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US Department of State
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